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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

NOTICE OF FILING OF THIRD AMENDED PLAN SUPPLEMENT

PLEASE TAKE NOTICE THAT the document contained herein is provided in accordance with the *Third Amended Joint Chapter 11 Plan of BlockFi Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Additional Technical Modifications)* [Docket No. 1609] (the “Plan”).²

PLEASE TAKE FURTHER NOTICE THAT on September 4, 2023, the Debtors filed a plan supplement [Docket No. 1443] (the “Initial Plan Supplement”), in support of the Plan.

PLEASE TAKE FURTHER NOTICE THAT on September 8, 2023, the Debtors filed the *Notice of Filing of Amended Plan Supplement* [Docket No. 1467] (the “First Amended Plan Supplement”), in support of the Plan.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors’ service address is 100 Horizon Center Blvd., 1st and 2nd Floors, Hamilton, NJ 08691.

² Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

PLEASE TAKE FURTHER NOTICE THAT on September 22, 2023, the Debtors filed the *Notice of Filing of Second Amended Plan Supplement* [Docket No. 1585] (the “Second Amended Plan Supplement”), in support of the Plan.

PLEASE TAKE FURTHER NOTICE THAT on October 3, 2023, the United States Bankruptcy Court for the District of New Jersey (the “Court”) entered the *Revised Findings of Fact, Conclusions of Law, and Order (I) Approving the Disclosure Statement Relating to the Third Amended Joint Chapter 11 Plan of BlockFi Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code on a Final Basis and (II) Confirming the Third Amended Joint Chapter 11 Plan of BlockFi Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Additional Technical Modifications)* [Docket No. 1655] (the “Confirmation Order”).

PLEASE TAKE FURTHER NOTICE THAT the Debtors hereby file this *Notice of Filing of Third Amended Plan Supplement* (as amended from time to time, the “Third Amended Plan Supplement,” and together with the Initial Plan Supplement, the First Amended Plan Supplement, and the Second Amended Plan Supplement, the “Plan Supplements”) in support of and in accordance with the Plan.

PLEASE TAKE FURTHER NOTICE THAT as contemplated by the Plan, the Third Amended Plan Supplement includes the following:

<u>Exhibit</u>	<u>Description</u>
G	Employee Transition Plan
G-1	Redline of Employee Transition Plan

PLEASE TAKE FURTHER NOTICE THAT the Plan Supplements shall be deemed incorporated into and part of the Plan as if set forth therein in full. The document contained in this Third Amended Plan Supplement is integral to, and considered part of, the Plan. The documents contained in the Plan Supplements are considered to be approved pursuant to the Confirmation Order.

PLEASE TAKE FURTHER NOTICE THAT the document, or portions thereof, contained in the Third Amended Plan Supplement remains subject to ongoing review, revision, and further negotiation among the Debtors and interested parties with respect thereto. The Debtors reserve the right to alter, amend, modify, or supplement the document in the Third Amended Plan Supplement in accordance with the Plan at any time before the Effective Date of the Plan or any such other date as may be provided for by the Plan or by order of the Court.

PLEASE TAKE FURTHER NOTICE THAT copies of the Plan, the Plan Supplements, and related documents may be obtained free of charge by visiting the Debtors’ restructuring website at <https://restructuring.ra.kroll.com/blockfi>, or the Court’s website at <https://www.njb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: October 23, 2023

/s/ Michael D. Sirota

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EXHIBIT G

Employee Transition Plan

Certain documents, or portions thereof, contained and/or referred to in this Exhibit G and the Plan Supplement remain subject to continuing negotiations among the Debtors and interested parties with respect thereto. The Debtors reserve all rights to amend, revise, or supplement the Plan Supplement, and any of the documents and designations contained or referred to herein, at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Court.

EMPLOYEE TRANSITION PLAN

BlockFi, the Plan Administrator, and the Oversight Committee have worked collaboratively to build an employee transition plan best equipped to efficiently and effectively fulfill the needs of the wind down estate while minimizing expenses in the best interest of BlockFi creditors.

Workstreams: The plan contemplates several major workstreams, including, among others:

Distributions, including ensuring product configuration, platform readiness for distributions, execution, reconciliations, client communication, fraud prevention, account takeover monitoring, security oversight, compliance and legal matters including KYC and regulatory compliance.

Rebalancing & Monetizing Assets, including trading and converting assets in line with plan execution, continued oversight of JV and remaining mining assets, and staked ETH.

Platform Maintenance and subsequent wind down, including ensuring ongoing platform reliability and observability, third party API management, and general infrastructure and capability maintenance, as well as eventual secure sunset of platform including export of data as needed to facilitate subsequent distributions and protection of client PII.

Claims reconciliation, reconciling individual claims filed versus Company books and records, and objecting (if appropriate) to remaining claims; estimated ~20,000 post emergence.

Financial imperatives, including reporting and data reconciliation, treasury management, tax management, accounting, payment processing, and loan portfolio management.

General Operations, including payroll and benefits administration, employee offboarding, security and IT, entity winddowns, client communications, and ongoing legal and regulatory matters (including affirmative and defensive litigation).

Headcount Reductions: The employee transition plan includes continued reductions in workforce in line with the plan workstreams outlined above in a phased approach targeted to completion of major workstreams such as initial distributions and ultimately platform wind-down.

Today, BlockFi's headcount is 91 FTEs, down from 374 pre-filing. The current plan anticipates a team of approximately 50–60 individuals required for the initial phases of the wind down, tapering at some point in calendar year 2024 to a team of approximately 10 individuals responsible for the final stages of the plan and wind down with the Oversight Committee and Plan Administrator.

Retention Program

The plan offers four (4) months of retention payments for all non-executive employees that agree to continue providing services to the wind-down estate until they are no longer anticipated to be needed, provided that (1) month of severance will be provided to a non-executive employee if BlockFi management and the Plan Administrator agree that the non-executive employee is no longer necessary and relieves the non-executive employee from any further duties and obligations to the wind-down estate less than 45 days after the Effective Date. Committee Settlement Parties will honor their settlement obligations to the estate, with any additional compensation for additional services to be determined collaboratively between BlockFi, the relevant Committee Settlement Party, the Oversight Board and the Plan Administrator by no later than October 31, 2023.

EXHIBIT G-1

Redline of Employee Transition Plan

EMPLOYEE TRANSITION PLAN

BlockFi, the Plan Administrator, and the Oversight Committee ~~are working~~ have worked collaboratively to build an employee transition plan best equipped to efficiently and effectively fulfill the needs of the wind down estate while minimizing expenses in the best interest of BlockFi creditors.

Workstreams

∴ The plan contemplates several major workstreams, including, among others:

Distributions, including ensuring product configuration, platform readiness for distributions, ~~financial operations and~~ execution, reconciliations, client communications, fraud prevention ~~and~~, account takeover monitoring, security oversight, compliance and legal matters including KYC and regulatory compliance.

Rebalancing & Monetizing Assets, including trading and converting assets in line with plan execution, continued oversight of JV and remaining mining assets, and staked ETH.

Platform Maintenance and subsequent wind down, including ensuring ongoing platform reliability and observability, third party API management, and general infrastructure and capability maintenance, as well as eventual secure sunseting of platform including export of data as needed to facilitate subsequent distributions and protection of client PII.

Claims reconciliation, reconciling individual claims filed versus Company books and records, and objecting ~~or accept~~ (if appropriate) to remaining claims; estimated ~20,000 post emergence.

Financial imperatives, including ~~ongoing~~ reporting and data reconciliation, treasury management, tax management, accounting, payment processing, and loan portfolio management.

General Operations, including payroll and benefits administration, employee offboarding, security and IT, ~~long tail litigation particularly as it relates to FTX, Alameda, and 3AC claims;~~ entity winddowns, client communications, and ongoing legal and regulatory matters (including affirmative and defensive litigation).

Headcount Reductions

∴ The employee transition plan includes continued reductions in workforce in line with the plan workstreams outlined above in a phased approach targeted to completion of major workstreams such as initial distributions and ultimately platform ~~wind down~~ wind-down.

~~The current plan contemplates a staffing plan functionally aligned against the key workstreams above with diversity across the existing employee base.~~ Today, BlockFi's headcount is 91 FTEs, down from 374 pre-filing. The current plan anticipates a team of approximately 50 ~~60~~ —60 individuals required for the initial phases of the wind down, tapering at some point in calendar year 2024 to a ~~smaller~~ team of approximately 10 individuals responsible for ~~managing~~ the final stages of the plan and wind down ~~along~~ with the Oversight Committee and Plan Administrator.

Retention Program

~~The necessity of implementing a retention program to ensure key team members are adequately incentivized to remain onboard for the efficient completion of critical workstreams is~~

~~recognized as critical to the successful execution of the wind-down plan. This retention program is forthcoming and will be developed collaboratively between the oversight committee, plan administrator, and company management.~~

The plan offers four (4) months of retention payments for all non-executive employees that agree to continue providing services to the wind-down estate until they are no longer anticipated to be needed, provided that (1) month of severance will be provided to a non-executive employee if BlockFi management and the Plan Administrator agree that the non-executive employee is no longer necessary and relieves the non-executive employee from any further duties and obligations to the wind-down estate less than 45 days after the Effective Date. Committee Settlement Parties will honor their settlement obligations to the estate, with any additional compensation for additional services to be determined collaboratively between BlockFi, the relevant Committee Settlement Party, the Oversight Board and the Plan Administrator by no later than October 31, 2023.